



The Commonwealth of Massachusetts

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December 30, 2002

TO: The Honorable Mark Montigny & Members of the Advisory Committee

RE: The Feasibility of Consolidated Health Care Financing and Streamlined Health Care Delivery in Massachusetts

Dear Chairman Montigny and members of the committee,

I want to acknowledge the efforts of consumer groups, businesses and the medical community for their continued support for programs that expand health care access to all residents of the Commonwealth. In many ways, Massachusetts is ahead of the rest of the nation in terms of quality and access.

During my legislative tenure, Massachusetts created CHIP, expanded Medicaid eligibility to the long-term unemployed and established a pharmacy benefit for seniors and the disabled.

While it is true, last year, budget realities required the Legislature to make painful cuts to essential health care programs; Massachusetts continues to be a leader in providing access to quality care.

The Massachusetts Legislature commissioned LECG to identify ways to bridge the gap between the insured and uninsured. The report is not an exact blueprint leading us to universal health care. Instead, the report, which is reflective of a variety of viewpoints from numerous stakeholders, provides a framework for discussion and exploration.

I commend the advisory committee's independent consultants, LECG, Mercer and McDonell Consulting, for their professionalism and detailed analysis. The breadth and scope of the report far exceeds resources allocated to the project and provides policymakers with timely and current data for review.

Moreover, I thank the members of the advisory committee for their tireless efforts on behalf of the citizens of the Commonwealth. I anticipate that the LECG report will be an impetus for change.

The LECG report is consistent with findings from other health care reports commissioned by various Massachusetts organizations, including their findings relative to administrative savings. The authors of the report do an excellent job highlighting how Massachusetts health care dollars are spent. Additionally, the report identifies three models for deliberation.

Reform will not be easy during these daunting economic times. The reality is that Massachusetts cannot afford to ignore systemic problems, nor can we allocate additional dollars to the health care system. The LECG report is an important step in realizing where savings can be squeezed.

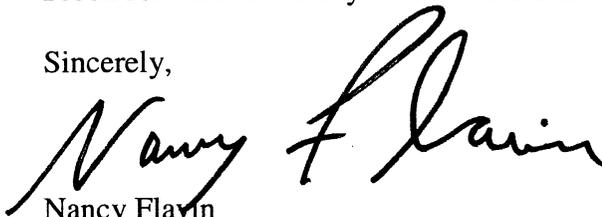
While policymakers should look at ways to diminish, or in some cases, eliminate administrative waste, the LECG report indicates that administrative waste alone is not enough to sufficiently allocate more funds to cover the uninsured.

The public does not have the appetite for global budgeting; a necessary component if one wants to achieve significant cost savings. The recent debate surrounding managed care is one such example where the public expressed its disdain for utilization and benefit controls imposed by insurance companies. Clearly, the public does not want insurance companies or politicians making health care decisions.

Policymakers must adopt a bolder approach. A serious dialogue must begin surrounding issues of tort reform, health care facility necessity, prescription drug costs, patient responsibility and long term care. Only then, will savings materialize.

I look forward to the day when all residents of Massachusetts have access to health care.

Sincerely,

A handwritten signature in black ink, reading "Nancy Flavin". The signature is written in a cursive, flowing style.

Nancy Flavin
Second Hampshire District
State Representative